

Ontario. Economics & development dept.
Trade and industry branch
[General publications]

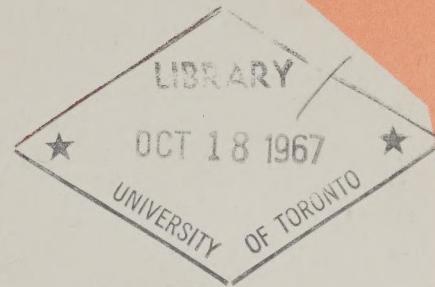
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MADE IN
ONTARIO
FOR
EXPORT!



EXPORTER'S GUIDE



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Ontario exporter's guide

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A guide to export services for the Ontario manufacturer

Published by

Marketing Section

Trade and Industry Branch

Ontario Department of Economics and Development

950 Yonge Street, Toronto 5, Ontario

Hon. S. J. Randall
Minister

S. W. Clarkson
Deputy Minister

Branch Locations: United Kingdom, Germany, Italy, United States

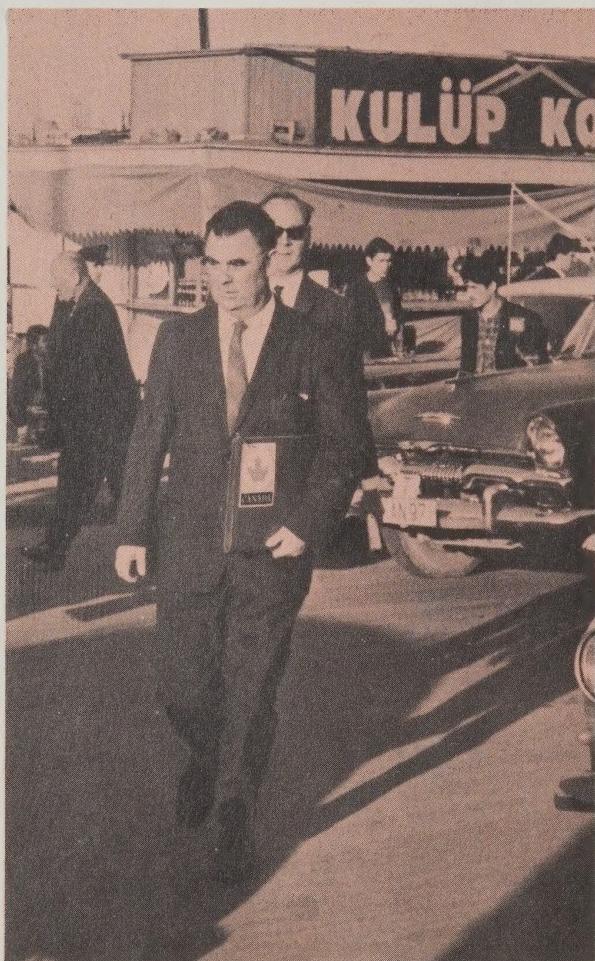
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ONTARIO
EXPORTS
TO THE
WORLD

Trading Ambassadors



Canada's favorable reputation abroad is the envy of many other nations. Our salesmen and businessmen are welcomed in all parts of the world as representatives of a dependable and forthright trading nation.

Canadian manufacturers engaged in export business are our nation's trading ambassadors. To them goes much of the credit for building up Canada's enviable international reputation. In winning new markets for Canadian products, they help build up the economy and raise our standard of living.

Although Canada is one of the world's most highly industrialized nations, its population simply cannot consume all the potential production of its mills and factories. The nation's industrial complex is inescapably dependent on markets beyond our boundaries.

Ontario, with half the nation's total manufacturing capacity, is particularly dependent upon exports. The province's prosperity, industrial expansion and employment are all closely related to the ability of its industries to sell in the markets of the world.

This booklet is designed to encourage newcomers to the export field, and offers basic information about international marketing. The Marketing Section of the Trade and Industry Branch is at your service. We would be pleased to discuss in detail how your company can take part in Ontario's export trade program.

Exports are plus business

Industry is constantly striving for increased production. And as well as meaning new sales, exports can mean greater stability in a company's operations. Export business gives the manufacturer an opportunity to broaden the base of his operations. Advantages include:

- Greater profits through increased sales.
- Lower production costs and more competitive prices, due to greater volume.
- Product diversification. Additional lines, uneconomical or marginal to produce for the domestic market alone, often become profitable through broadening demand.
- Balanced production scheduling for export can maintain plant capacity throughout the year, particularly in the case of seasonal goods.
- Lower development costs because orders from abroad are frequently large. Costs per unit for development work can be lower than for domestic sales.

EXPORT PROSPECTS

With most countries stressing the importance of international trade, export opportunities for the Canadian manufacturer are generally good. Canadian designs, performance and workmanship are widely respected. Markets await. But door-knocking is essential to win export sales.

Factors to consider in evaluating export possibilities include:

- The present productive capacity of your plant.

- The portion of production required to service your domestic requirements.
- Whether the balance of your production is sufficient for the export market—remembering that service on foreign accounts is vital in holding your markets abroad.
- The advisability of determining your product's acceptance, first in the United States before marketing it abroad. In starting an export program, the shortest lines of communication and transportation are desirable to gain experience.
- The economic conditions of the country to which you wish to export. Information should also be obtained on the stability of the government, its policies regarding imports, balance of payments and currency convertibility.
- A thorough understanding of industrial standards and systems of measurement, as well as determining whether market levels are low, medium or high in the country to which you intend to export.

ON
EXPO
TO
ZANIBIA

Who can export

Almost any Canadian manufacturer with a product not duplicated at a lower price in any foreign market will find buyers. Size of operation is no criterion in the export business. Some of the most successful exporters are relatively small operations.

EXPORT AIDS

Both the Government of Canada and the Ontario Government provide extensive services to manufacturers wishing to enter the export field.

Assistance by the Federal Government is given through the Department of Trade and Commerce, Toronto regional office. The Ontario Government provides services through the Marketing Section of the Trade and Industry Branch, Department of Economics and Development. The Marketing Section's services include:

- Direct assistance through branch locations in New York, Chicago, London, Dusseldorf, and Milan.
- Foreign market data.
- Contacts arranged for direct sales and agents.
- Assistance in locating sales offices outside Canada.
- Exhibiting products in trade shows and fairs.
- Sales missions to foreign markets.
- Bringing foreign businessmen and agents to the province to see Ontario-made products first-hand.
- Help in locating foreign companies able to make Ontario products under license.

OTHER ASSISTANCE

Comprehensive service in foreign business and trade is also offered by Canadian chartered banks, the Canadian Manufacturer's Association, the Canadian Exporter's Association, and the Canadian Export Credits Insurance Corporation. (See also publications listed on pages 19 and 20.)

ONTARIO
EXPORTS
TO
ITALY

Export channels

Many large companies have their own export divisions or departments with specialized staff. Some have international offices and an international sales force. However, smaller companies, or those doing a limited volume of export sales can develop export programs as effective as the large corporations. There are two distinct methods—indirect sales and direct sales.

INDIRECT SALES METHOD

Export commission house

A commission house or export-confirming house represents a foreign importer and acts as his purchasing agent. The commission house will frequently pay the manufacturer in cash and assume the technical details of exporting. The "buying house" receives a commission from the buyer for its services, the rate varying according to terms, products and range of services to be performed. This is really a purchasing function, not selling.

Manufacturer's export agent

This type of organization represents domestic manufacturers and is paid on a sales commission basis. The products of several companies are usually handled. Frequently, the exporting agent has foreign representatives or branch offices in other countries to promote sales. They operate in sales areas or territories. Sometimes the manufacturer can use one or more such agents. In effect, the agent acts as an export department for the manufacturer. The agent usually handles the entire export program, directs foreign advertising, places orders, attends to billing, financing and shipping details.

This type of service as an export channel requires close working relationships between the agent and the manufacturer, on such things as catalogues and prices. This function assumes many of the features of direct selling. Commissions vary depending on the types of goods.

Export Merchant

The export merchant buys products independently from domestic and foreign sources, and sells anywhere abroad on his own account. Often his operation is both import and export. He assumes the details and risks of international trade. The export merchant selects his own markets and products, purchases products and arranges prices and other methods in his own operation. Frequently this function covers staple products which have a ready market. The maker's product and export policy will determine if the export-merchant type of export program is practical.

ONTARIO
EXPORTS
TO
U.S.A.

Indirect selling

Channel

Advantages

- Less costly, requires no additional staff
- Reduces credit risks
- Paper work is handled by forwarding agent

Disadvantages

- No direct contact with buyers
- Ties manufacturer to an agency contract
- Manufacturer has no control of sales promotion methods and service

DIRECT SALES METHODS

Under the direct sales method, the manufacturer ships his products direct from factory to one of a number of foreign sales outlets—manufacturer's representative, wholesale importer and distributor, foreign retailer etc. Sales to foreign retailers are frequently negotiated through a "group buyer" agency which looks after the import requirements for groups of foreign retailers or chain stores.

The manufacturer's representative

The manufacturer's representative abroad sells to customers in a particular area or country. Usually handling a range of specific items, frequently forwards orders to the manufacturer for direct shipment to the buyer. He is paid a commission by the manufacturer. The manufacturer's representative does not guarantee credit, although he usually selects responsible buyers.

Manufacturer's representatives frequently provide warehousing to assemble products for quick distribution.

The manufacturer should make sure that the rep-

resentative is qualified to handle his products, and does not handle too many lines or competitive materials. Consult non-competitive suppliers in ascertaining an agent's sales ability.

Foreign importers

Orders may also be received from importers abroad. These organizations may be distributors, jobbers, wholesalers or retailers. Buying on their own account, they import and stock goods for resale in their particular markets. Often the importer is assigned exclusive sales rights for a given territory. The manufacturer should set forth an agreement with the importer covering tenure, territory, service requirements of his product, terms of payment, stocks to be maintained and other pertinent factors.

Foreign retailers

Consumer goods requiring minimum servicing are frequently bought directly from a manufacturer's agent or from the manufacturer. This is an intense and highly competitive channel. Careful pricing and administrative costing must be determined in advance.

Direct selling

Advantages

- Direct control over outlets abroad
- No commission to exporters or agents
- Results can be related to sales effort
- Permanent market can be developed
- Goods and services can be provided

Disadvantages

- All expenses of selling incurred
- Involves greater risk
- Complex documentation must be thoroughly understood
- Greater financing requirements needed
- Trained staff required

FINDING A DISTRIBUTOR

The manufacturer taking initial steps into export markets can obtain help from several sources including, the Marketing Section of the Trade and Industry Branch, Ontario Government locations in London, New York, Chicago, Dusseldorf and Milan, and Trade and Industry Branch contacts around the world. Assistance is also readily available from local banks and their overseas affiliates, trade associations, and Canadian Government offices abroad. Direct contact or correspondence with foreign companies wishing to import are other possibilities.

EVALUATING A DISTRIBUTOR

The manufacturer should carefully consider all the factors involved before appointing a sales representative or distributor to sell his products in foreign markets. As such commitments are usually on a contract basis for at least a year, the wrong choice of representative can have far-reaching consequences. Among points to determine: financial strength and credit rating; reputation with banks, suppliers and customers; over-all experience; experience with some known manufacturer; experience with similar product lines; lines currently handled; sales volume and growth record; sales organization and quality of sales force; geographic areas covered; warehousing facilities (size and location); after-sales servicing facilities; knowledge of business and accounting methods; knowledge of advertising and promotion techniques; knowledge of English and other languages.



Selling to export markets

DEALING IN THE EXPORT MARKET

Establishing export channels by a manufacturer is only the first step in a successful export program. The world market simply cannot be regarded as an appendage to the domestic market. Agreements, business terminology, the laws of foreign countries, packaging, advertising methods, buying tastes and habits of the final purchaser—all have to be considered. Recognizing the importance of these factors could mean the difference between success and failure in an export program.

SALES AGREEMENTS

Contracts in foreign markets must be negotiated carefully. The laws of contract and agreement vary widely from one area to another. Carelessness in selecting an agent and a faulty contract can mean extra costs—and perhaps losses—in the export operation. For example, the word "agent" in some parts of the world is more binding than the word "representative."

Consult references on foreign sales agreements in a commercial library. Consult legal firms familiar with contract laws in the country where you intend to do business.

PRICING FOR EXPORT

Pricing for export is on an entirely different basis from domestic pricing. Foreign buyers prefer prices calculated in terms of delivery to the port of entry—referred to as "c.i.f." (cost, insurance, freight) prices. This is not a landed price. Where duties, dock charges and, in some instances, local taxes are applied, then the landed price is established. The buyer is

responsible for paying duties, dock charges and local taxes on clearance of the shipment.

In the calculation of "c.i.f.", cost is the basic factory cost; insurance is protection of shipment charges en route; freight is the cost of transportation.

Such items as domestic selling costs, domestic advertising and overhead are not applied in calculating prices for the foreign market. Exports are not subject to either federal or provincial sales tax.

THE QUOTATION

The quotation to foreign customers should include all conditions of the prospective sale: price point of delivery, terms of payment, insurance coverage, quality and kinds of product and date of shipment. Quotations must be explicit and convey the full and exact meaning of the transaction. A sales quotation by letter can become a contract when properly accepted by a correspondent. In quoting make sure of these procedures:

- Communication must be clear. If there is any doubt, advice may be sought from experienced exporters, banks and foreign freight forwarders.
- Quotations should be subject to acceptance within a specific time period and subject to confirmation by the manufacturer.

BUSINESS COMMUNICATION

The normal business English used in Canada is not always suitable for foreign business correspondence—even with English language countries. To avoid confusion, colloquialisms should not be used. Avoid English words or phrases that could have more than one meaning in translation. Keep your correspondence simple and avoid misunderstanding.

Translation services are available in most major Canadian centres, but perhaps the most efficient and expeditious business method will be to write to the agent or representative abroad in English, and let him translate.

Acknowledge all correspondence promptly. This will encourage your agent to give your mail prompt attention too.

Consider the time differential between Ontario and the city where your agent is established. In telephone or cable contact, night rates may be used to advantage. In cables use the standard abbreviated style known as "cablese."

SOME COMPARATIVE TIMES

The following examples show differences in hours from Toronto time.

Los Angeles	minus 3 hours	Madrid	plus 6 hours
Chicago	minus 1 hour	Tel Aviv	plus 7 hours
Rio de Janeiro	plus 3 hours	Athens	plus 7 hours
London	plus 5 hours	Moscow	plus 8 hours
Paris	plus 6 hours	Bombay	plus 10½ hours
Dusseldorf	plus 6 hours	Hong Kong	plus 13 hours
Rome	plus 6 hours	Tokyo	plus 14 hours

ONTARIO
EXPORTS
TO
GREECE

Packaging for shipment

In preparing export shipments ensure that the customer receives the goods on time and in perfect condition. Packages or cases must be marked according to the requirements of the specific country. Explicit instructions should be received from the customer concerning packing, and a freight forwarder serving foreign countries should be consulted before preparing goods for shipment. Export packing should:

- Be secure against loss or pilferage.
- Conform to any special request of the customer.
- Meet all the legal requirements such as denoting weights and contents.
- Meet the approval of foreign freight handlers.
- Be marked carefully, with all packages numbered.
- Have the same markings on packages as described in the invoices (in some countries shipments may be held up if markings and invoices are not exactly the same).

Don't risk losing business or personal goodwill by having your products delivered in poor condition. When in doubt the manufacturer should consult a capable freight forwarder. (See the yellow pages of your telephone book).

PACKAGING FOR THE CONSUMER

The habits and customs of the foreign consumer should be taken into account when deciding packaging. Determine whether English or English-French labelling is sufficient, or whether another language should be substituted. The metric system of weights and measures might also be applicable.

Design too is important. A minor revision in product design, or even color, may make the difference in product acceptance.

There have been numerous examples of imports into Canada which shoppers have rejected because of the need for inexpensive modifications. Without sufficient forethought, the same thing could happen abroad to Canadian products.

MARKET RESEARCH AND TESTING

Basic information on the economies of foreign markets is available through banks, government departments and other sources. The best approach is likely through a personal visit to the market by the manufacturer himself. Whatever course is taken, selling without adequate prior knowledge can be wasteful and expensive. A little research will certainly provide valuable guidelines.

Testing the market through shipping limited quantities, with a request for reaction and comment from the foreign business representative, is also sound practice. The need for modifications in design or packaging is often detected through trial shipments.

ADVERTISING FOR EXPORT

A manufacturer's domestic advertising program is not always suitable for a foreign market without modification. Even marketing a Canadian product in the United States may require a different advertising technique.

In virtually all major foreign markets there are competent advertising agencies which can advise on local advertising practices. They are in the best position to advise you.

Payment methods

Cash in advance or cash with order

Usually these terms apply from 10 to 30 per cent of the value of an order, covering products manufactured to the special requirements of the buyer. The extent of this protection wanted by the manufacturer, and the amount of funds which the buyer is willing to freeze in advance determine the percentage of the cash paid with the order. The unpaid balance is covered by other terms.

Letter of credit

Banks in 173 countries accept the rules approved by the International Chamber of Commerce governing letters of credit.

Letters of credit covering exports are usually issued by the buyer's bank abroad and provide for a negotiating bank in Canada. Credits are either "revocable" or "irrevocable". A revocable credit can be cancelled without prior notice to the exporter. An irrevocable credit cannot be cancelled or modified without the exporter's agreement and it is a firm undertaking by the issuing bank listing exact requirements which must be met by the exporter in order to obtain payment.

An "unconfirmed" irrevocable credit permits the negotiating bank to take recourse against the exporter in event of non-payment by the issuing bank. A credit confirmed in Canada does not allow recourse by the confirming bank against the exporter and provides one of the most secure methods of collection.

Confirmation of order

This is the commitment of a Confirming House in Canada which "confirms" the buyer's order and itemizes all export documentation required, the latter being checked by experts before loading on the vessel. Payment is without recourse and is usually against ocean bills of lading at port of shipment and therefore very fast. The commitment is as secure as the Confirming House itself.

Documentary drafts or bills of exchange

A draft drawn by the exporter on the buyer abroad is a "clean" draft if no documents are attached. However, this instrument becomes a "documentary draft" when the exporter attaches to it the documents giving title to the goods. A very common method of collecting payment is for the exporter to draw a draft for the value of the goods, attach to it the bill of lading and/or other documents and instruct his bank to forward this documentary draft to the correspondent bank in the buyer's country and require that the sight draft be paid (or the term draft be accepted), before surrender of the documents which the buyer must have to obtain the goods.

Frequently part of the value is covered by a sight draft and the balance by a term draft. The due date of the term draft conforms to the length of credit to which the buyer and seller have agreed, such as 30 or 90 days after sight or after date.

Export credits insurance greatly facilitates obtaining bank advances against these drafts.

**Boy
Man
Ltd.**



Open account

Shipment is made to the buyer without a negotiable instrument covering the debt which seldom bears interest. This method is usually restricted to small balances or to continuing business with a buyer of unquestioned creditworthiness.

The difficulty of obtaining foreign exchange approval for an open account can be reduced by the exporter drawing a "clean" sight draft to cover the book balance.

Consignment shipments

Shipment is made with no contract of sale and the importer is obligated to pay only for what he sells when he sells it. This method is used when the exporter wishes to maintain a ready stock of goods in the importer's warehouse and the importer is unwilling to purchase all or part of the stock.

ONTARIO
EXPORT
TO
NORWAY

Export documents

Ocean bills of lading

An Ocean Bill of Lading is issued by the steamship company and serves as a receipt for the goods to be delivered to a designated person or to his order. The ocean bill of lading describes the conditions under which the goods are accepted by the steamship and the details of the nature and quantity of the goods, name of vessel, nation, etc. The person sending the goods is the shipper or consignor, the steamship company is the carrier, and the person to whom the goods are destined is the consignee. Bills of lading may be negotiable or non-negotiable.

A Straight Bill of Lading—goods are consigned directly to a named consignee and not to his order. Delivery can be made only to that person. Such a bill of lading is non-negotiable.

An Order Bill of Lading—goods are consigned to the order of any person or to the person acting as consignor (the shipper). In the latter case, it must carry the consignor's endorsement in blank on the reverse side. This is a negotiable bill of lading and is the form required to obtain payment by letter of credit or by documentary sight draft, etc.

A Clean Bill of Lading—goods are described as having been received in apparent good order and without qualification.

An Unclean Bill of Lading—a notation has been made by the carrier of defects found in the goods or in the packing when they are received for transportation.

A Stale Bill of Lading—one which has not been presented under a letter of credit to the negotiating bank within a reasonable time after its date, thus precluding its arrival at the port of discharge by the time the delivering ship arrives.

Certificate of origin

A document in which the exporter certifies to the place of origin (manufacture) of the merchandise to be exported. Sometimes these certificates must be legalized by the consul of the country of destination, but more often they may be legalized by a commercial organization, such as a chamber of commerce. Such information is needed to comply with tariff laws which may extend more favourable treatment to products of certain countries.

Export credits insurance

In most markets, except the United States, export credit insurance is available. The Export Credits Insurance Corporation provides low cost export credits insurance to Canadian exporters against risks of non-payment by foreign buyers. It covers the export, manufacture, treatment or distribution of goods as well as engineering, construction, technical or similar services. The main risks covered include: buyer's insolvency or protracted default; foreign exchange restrictions in the buyer's country preventing the transfer of funds to Canada; cancellation of an import or export license or the imposing of restric-

tions on the import or export of goods not previously restricted; severance of diplomatic or commercial relations for any reason between the buyer's country and Canada; or the outbreak of war, revolution, etc., in the buyer's country.

The insurance is available under three main classifications: general commodities, capital goods, and services.

Exports are insured up to a maximum of 90 per cent of the value of the goods.

EXPORT FINANCING ASSISTANCE

Short term financing (normally up to six months but occasionally to one year) is readily available through the exporter's own bank when the receivable is supported by an Export Credits Insurance Corporation certificate of coverage.

Medium term financing (one to five years), again with ECIC's coverage, is normally obtained from the exporter's branch bank which may rediscount the term drafts through the facilities of Export Finance Corporation of Canada Limited. E F C is owned by the Canadian Chartered Banks and only handles medium term financing after initial discounting by the branch bank.

Long term financing (over five years) is available from the Federal Government through Export Credits Insurance Corporation for capital goods for any transaction for which authorization has been given by the Governor in Council under Section 21A of the Export Credits Insurance Act.

Such transactions usually must be in excess of \$1,000,000. Export Credits Insurance Corporation buys the promissory notes or other negotiable instruments of the foreign purchaser without recourse to the exporter.

For information about Export Credits Insurance or Export Financing Assistance contact:

Export Credits Insurance Corporation

309 Cooper St. 55 York St.

Ottawa or Toronto

Telephone 232-4828

Telephone 364-0135

Tariff information

Preliminary guidance on all tariff matters is provided by the Marketing Section, Trade and Industry Branch, Ontario Department of Economics and Development.

UNITED STATES TARIFFS

Manufacturers proposing to export to the United States may obtain customs information from:

- A private U.S. customs import broker, who can seek the most favorable tariff ruling on products entering the country. Several of these firms are listed in the "yellow pages."
- The Canadian Manufacturers' Association
67 Yonge St., Toronto, Ont.
Telephone 363-7261/Area Code 416
- Office of Trade Relations
Department of Trade and Commerce
Wellington St., Ottawa, Ont.
Chief, United States Division
Telephone 992-5176/Area Code 613
- United States District Directors of Customs:
W. Richard Nystrom
District Director of Customs
127 N. Water St.
Ogdensburg, N.Y. 13669
Telephone 393-0661/Area Code 315

- John F. Chilton
District Director of Customs
121 Ellicott St.
Buffalo, N.Y. 14203
Telephone 842-3280/Area Code 716
- Louis A. Mezzano
District Director of Customs
243 West Congress
Detroit, Mich. 48226
Telephone 226-3148/Area Code 313
- Corwin S. Snyder
District Director of Customs
Federal Building
Stutzman and Cavalier Sts.
Pembina, North Dakota 58271
Telephone 825-6201/Area Code 701

OVERSEAS TARIFFS

For information on tariffs of other countries, contact the appropriate area desk of the Office of Trade Relations, Department of Trade and Commerce, Ottawa. Inquiries should be directed to the Chief of the appropriate division.

DIVISION	TELEPHONE
Commonwealth Countries	992-2421
Asia and Middle East	992-5642
Europe	992-8727
Latin America	992-7641
	All Area Code 616

Travel

PASSPORTS

Passports are valid for five years, after which they must be renewed. Application forms are available from any post office. At least two weeks should be allowed for processing applications. Passport fee is \$5, and renewal fee \$2.

VACCINATION

Most countries observe the international sanitary regulations adopted by the World Health Organization.

Travellers must show proof of required vaccinations in a recognized International Certificate of Vaccination. Forms are available from the Department of Health, Ottawa, or from any travel agency.

Persons arriving in or returning to Canada from overseas must show proof of smallpox vaccination.

TRAVEL TIPS

Plan trips carefully. Hotel reservations abroad are often difficult to obtain. If your itinerary is settled your travel agency can arrange reservations.

Carry funds in the form of traveller's cheques.

Do not rely on credit cards. Many hotels and restaurants abroad will not accept them.

Use official agencies for exchanging money. There is generally an agent at airports who will exchange at bank rates. Avoid unofficial money exchange transactions. In selecting clothes, determine the weather of the country to be visited.

Inquire about banking hours and official holidays in countries you propose to visit. Plan appointments accordingly.

Reconfirm flight reservations at least 24 hours before flight time.

Choose food carefully as exotic foods and water changes can cause stomach disorders. Consult your druggist or physician before leaving.

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Trade and industry services

The Marketing Section of the Ontario Department of Economics and Development's Trade and Industry Branch is staffed by experienced officers who are at the service of manufacturers endeavoring to develop export sales. Activities include:

CONSULTING SERVICES

Marketing officers are available for consultation in our office at 950 Yonge St., Toronto 5. Interviews are also conducted at the manufacturer's plant.

TRADE MISSION PROGRAM

Groups of executives of Ontario companies are escorted into world markets on government-sponsored sales missions. Usually comprising 10 persons in each group, the Province pays the cost of round-trip economy air fare for one representative of each company. All other expenses are borne by individual members.

Mission members are selected on the basis of product suitability for market area, company qualifications and soundness, attitude to export, etc.

All travel arrangements and hotel accommodation in the city where the mission will be centred are made by the Marketing Section. Ontario's trade offices in the U.S. and Europe also arrange appointments with local business prospects, and can provide basic market appraisals (detailed market research is not undertaken). The offices will also assist in obtaining credit information.

ONTARIO'S EXTERNAL TRADE OFFICES

Each overseas location covers several neighboring countries as well as the one in which it is located. In the United States the New York office covers the eastern states while the western states are covered by the office in Chicago. Personnel in all offices maintain commercial contacts throughout their areas.

INTERNATIONAL SHOWS

Each year Ontario's Trade and Industry Branch sponsors participation by Ontario firms in several major international fairs in key market areas of the world. Ontario trade missions are frequently scheduled for participation by members in particular trade fairs.

ONTARIO'S INTERNATIONAL TASK FORCE

Ontario commercial officers are stationed in strategic market areas around the world. It is their function to develop commercial intelligence, prospect new markets, assist in the planning of trade missions to their areas, and guide individual companies in market development.

EXPORT FORUMS

Export seminars are conducted by the Marketing Section in key cities and towns across the province. These sessions are open to all manufacturers and businessmen in the area who are interested in exporting.

GUEST SPEAKERS

Marketing officers and sales mission organizers are available for speaking engagements to clubs or business groups throughout the province.

VISITING BUSINESS REPRESENTATIVES

The Marketing Section assists buyers and business representatives from other countries or provinces to locate Ontario products they wish to import. The visitors are introduced to local manufacturers, and frequently visit factories.

ONTARIO TRADE FAIRS AND EXHIBITS

The Marketing Section also brings buyers from other countries to local and international trade and industrial exhibits in Ontario. Visits to five or six exhibits are arranged each year. These buyers are selected by Ontario external trade offices. While in Canada, marketing officers help them locate local products of interest.

DESIGN AWARDS

The "Eedee" (Excellence of Design) award program was introduced by the Ontario Department of Eco-

nomics and Development to encourage good design in industry. Originally centred around the clothing industry, it has since been extended to the furniture industry.

ONTARIO ENGINEERING SERVICES ABROAD

To assist in the export of Canadian know-how and engineering ability, Ontario engineering and contracting firms wishing to bid on major foreign contracts may apply for assistance in covering the cost of the initial survey.

EXPORT ADVERTISING PROGRAM

The department sponsors a program of advertising abroad designed to acquaint overseas organizations with products and technological developments which are available in Ontario.

MARKETING BULLETINS

The Marketing Section issues a monthly bulletin which lists hundreds of items sought by overseas buyers. All manufacturers interested in exporting are on the distribution list.

When requested by the Ontario manufacturer, the section supplies the name and address of the potential buyer. From that point all dealings are direct.

Publications, directories and references

A wide range of publications and directories are available to the businessman wishing to export. These include:

Trade and Commerce at Your Service

Selling Abroad—How to Start

Canadian Trade Fairs Program

Available free from Trade Publicity Branch, Department of Trade and Commerce, Ottawa, Ontario.

Foreign Trade (published every two weeks)

Economic reports and opportunities abroad for Canadian businessmen. Queen's Printer, Ottawa, Ontario. \$5 per year.

Foreign Trade News (published every two weeks)

Current business conditions and trade developments abroad. Canadian Imperial Bank of Commerce, 25 King St. West, Toronto, Ontario. No charge.

Export Methods and Services

Basic export techniques, export distribution, marketing and financing, pricing, etc. Contains detail for exporters on Canadian Foreign Trade Service, technical terms and abbreviations and foreign trade bibliography. Commercial Intelligence Department, Canadian Manufacturers' Association, 67 Yonge St., Toronto 1, Ontario. \$2 (C.M.A. members \$1).

Pricing for Export

The basic elements of export pricing with preliminary calculations; examples given for export to the

United States and overseas markets. Commercial Intelligence Department, Canadian Manufacturers' Association, 67 Yonge St., Toronto 1, Ontario. No charge.

Customs Aspects of Exporting to the United Kingdom

Comprehensive information regarding preferential tariff regulations and customs documentation as applied to the British market. Commercial Intelligence Department, Canadian Manufacturers' Association, 67 Yonge St., Toronto 1, Ontario. \$1 (C.M.A. members, free).

Export Markets in Brief

Facts and figures for Canadian exporters on 68 of Canada's trading partners. Prepared in conjunction with the Department of Trade and Commerce, Ottawa. Bank of Montreal, General Manager for Ontario, 50 King St. West, Toronto 1, Ontario. No charge.

Canada-United States Defence Production Sharing

Detailed information of U.S. defence markets and selling, legislation and regulations. Department of Defence Production, Ottawa, Ontario. No charge.

Marketing Opportunities Bulletin (monthly)
Requests for Ontario products from all areas. Ontario Department of Economics and Development, Marketing Section, 950 Yonge St., Toronto 5, Ontario. No charge.

Financing Foreign Trade

Details of import and export finance, and theory and practice of foreign exchange. Royal Bank of Canada, King and Yonge Sts., Toronto 1, Ontario. No charge.

Board of Trade Journal (weekly)

United Kingdom and European market and tariff information. H.M. Stationery Office, London, England. \$5 per year.

Canadian Trade Index

Comprehensive directory of Canadian manufacturers and their products. Includes introduction to export techniques and identifies companies seriously engaged in foreign trade. Commercial Intelligence Department, Canadian Manufacturers' Association, 67 Yonge St., Toronto 1, Ontario. \$24 (C.M.A. members \$16).

Handbook of International Marketing

By Alexander O. Stanley. Although primarily directed at the United States exporter, this extensive (680 pages) work is virtually an encyclopedia of international business and can be a valuable guide to the Canadian manufacturer. McGraw-Hill Book Company, Inc., Toronto, Ontario. \$22.50.

Exporting to the United States

Designed to assist in understanding such techniques as tariffs, documentation and samples. Superintendent of Documents, U.S. Government Printing Office, Washington 20402. 50 cents a copy.

Canadian Problems in Marketing

By David S. R. Leighton and Donald H. Thain. McGraw-Hill Book Company, Inc., Toronto, Ontario. \$10.95.

Marketing: Canada

Litvak, Isaiah A., and B. E. Mallen, eds. McGraw-Hill Book Company, Inc., Toronto, Ontario. 1964, \$4.95.

International Commerce (weekly)

World trade and export opportunities. U.S. Government Printing Office, Washington 20402. \$16 per year.

How to Win World Markets

Canadian Government bookshops, Daly Building, Ottawa, and 221 Yonge St., Toronto, Ontario. Reference copies in libraries across Canada. Catalogue No. C2-3666.1, \$2.50.

Canada's main export markets

	1964	1965 (thousands of dollars)	1966
United States	\$3,895,353	\$4,392,817	\$ 6,027,722
United Kingdom	\$1,094,422	\$1,075,724	\$ 1,122,574
Commonwealth and Preferential	\$ 446,077	\$ 459,071	\$ 547,420
Japan	\$ 302,980	\$ 282,795	\$ 394,246
U.S.S.R.	\$ 314,393	\$ 163,275	\$ 320,605
Germany, Federal Republic	\$ 188,114	\$ 169,968	\$ 176,800
Total	\$6,241,339	\$6,543,650	\$ 8,589,367
Other Countries	\$1,138,845	\$1,184,773	\$ 1,481,399
Total Domestic Exports	\$7,380,184	\$7,728,423	\$10,070,766
Percentage of total exports to six principal markets	84.6	84.7	85.3
Percentage of total to other countries	15.4	15.3	14.7

Source: Dominion Bureau of Statistics

Domestic exports by group

	1964	1965 (thousands of dollars)	1966
Live Animals	\$ 32,068	\$ 68,433	\$ 78,002
Food, Feed, Beverages and Tobacco	\$1,659,488	\$1,471,896	\$ 1,888,646
Crude Materials (inedible)	\$1,464,215	\$1,603,307	\$ 1,947,410
Fabricated Materials (inedible)	\$3,195,551	\$3,396,966	\$ 4,012,068
End Products (inedible)	\$1,004,716	\$1,166,066	\$ 2,119,324
Special Transactions—Trade	\$ 24,146	\$ 21,756	\$ 25,316
Total	\$7,380,184	\$7,728,423	\$10,070,766

Source: Dominion Bureau of Statistics



Canada's general export pattern

Canada's 10 main export products, with the balance listed by export section:

Percentage 1966

10.53	Wheat
9.87	Autos and Auto Parts
9.61	Newsprint Paper
5.16	Wood Pulp
4.36	Lumber (softwood)
3.70	Aluminum, including alloys
3.66	Iron Ore, Concentrates
3.19	Crude Petroleum
2.64	Copper including alloys
.78	Live Animals
8.22	Other Food, Feed, Beverages and Tobacco
12.48	Other Crude Materials (inedible)
14.36	Other Fabricated Materials (inedible)
11.18	Other End Products (inedible)
.26	Special Transactions—Trade

100.

Canadian business

Ontario's contribution to Canada's expanding economy:

	1965	1966
	(in billions of dollars)	
CANADA		
Gross National Product	\$52.0	\$57.8
Factory Shipments	\$31.6	\$36.7
Capital Expenditures	\$12.8	\$14.9
Construction	\$ 8.2	\$ 9.3
Machinery and Equipment	\$ 4.6	\$ 5.6
Wages and Salaries	\$25.0	\$28.1
Total Personal Income	\$38.9	\$42.7
Per Capita Income	\$1,988	\$2,144
Labor Force	7,141,000	7,419,000
Employment	6,862,000	7,152,000

	1965	1966
	(in billions of dollars)	
ONTARIO		
Gross Provincial Product	\$20.7	\$23.0
Factory Shipments	\$17.8	\$19.3
Capital Expenditures	\$ 4.4	\$ 5.1
Construction	\$ 2.6	\$ 3.1
Machinery and Equipment	\$ 1.8	\$ 2.0
Wages and Salaries	\$10.4	\$11.6
Total Personal Income	\$15.5	\$16.9
Per Capita Income	\$2,296	\$2,450
Labor Force	2,614,000	2,719,000
Employment	2,548,000	2,650,000



Foreign exchange guide

The following table, based on exchange rates prevailing in the second quarter of 1967, is intended as a guide only and should not be used for precise calculations. Exchange rates are subject to day-to-day change. Consult your bank or the financial pages of daily newspapers for exact prevailing rates. Rates are quoted in Canadian dollars.

Country	Unit	Canadian \$ Equivalent	Units per Canadian \$
Argentina	Peso	0.00310	322.581
Australia	Aus. Dollar	1.2108	.826
Austria	Schilling	0.0419	23.866
Belgium and Lux.	Franc	0.2179	4.589
Bermuda	Bda. Pound	3.0269	.330
Bolivia	Peso	0.094	10.638
Brazil	Cruzeiro	.4004	2.498
Ceylon	Rupee	0.2274	4.398
Chile	Escudo	0.2387	4.189
China (Mainland)	Yuan	0.4392	2.277
Colombia	Peso	0.067	14.925
Czechoslovakia	Koruna	0.1501	6.662
Denmark	Krone	0.1565	6.390
Eire	Irish Pound	3.0269	.330
Finland	Markka	0.3364	2.973
France	Franc	0.2190	4.566
Germany (West)	Deutschmarks	0.2727	3.667
Ghana	New Cedi	1.52	.658
Greece	Drachma	0.0363	27.548
Guatemala	Quetzal	1.0825	.924
Hong Kong	Dollar	0.1884	5.308
India	Rupee	0.1442	6.935
Indonesia	New Rupiah	0.1083	9.234
Iran	Rial	0.0143	69.930

Country	Unit	Canadian \$ Equivalent	Units Per Canadian \$
Iraq	Dinar	3.0269	.330
Israel	Pound	0.3604	2.775
Italy	Lira	0.3329	3.004
Japan	Yen	0.00299	334.445
Libya	Pound	3.0269	.330
Lebanon	Pound	0.3509	2.850
Malaysia	Straits dollar	0.3528	2.834
Mexico	Peso	0.0868	11.521
Netherlands	Guilder	0.3001	3.332
New Zealand	N.Z. Pound	3.0063	.333
Nigeria	Nig. Pound	3.0269	.330
Norway	Krone	0.1514	6.605
Pakistan	Rupee	0.2270	4.405
Peru	Sol	0.04	25.000
Portugal	Escudo	0.0378	26.455
Saudi Arabia	Riyal	.2394	4.177
South Africa	Rand	1.513	.661
Spain	Peseta	0.01808	55.310
Sweden	Krona	0.2097	4.769
Switzerland	Franc	0.2499	4.002
Turkey	Lira	0.1196	8.361
United Arab Rep.	Pound	2.48	.403
United Kingdom	Pound	3.0269	.330
United States	Dollar	1.0825	.924
USSR	Rouble	1.20	.833
Uruguay	Peso	0.0316	31.646
Venezuela	Bolivar	0.2417	4.137
West Indies	Dollar	0.6327	1.581
Yugoslavia	Dinar	0.0866	11.547

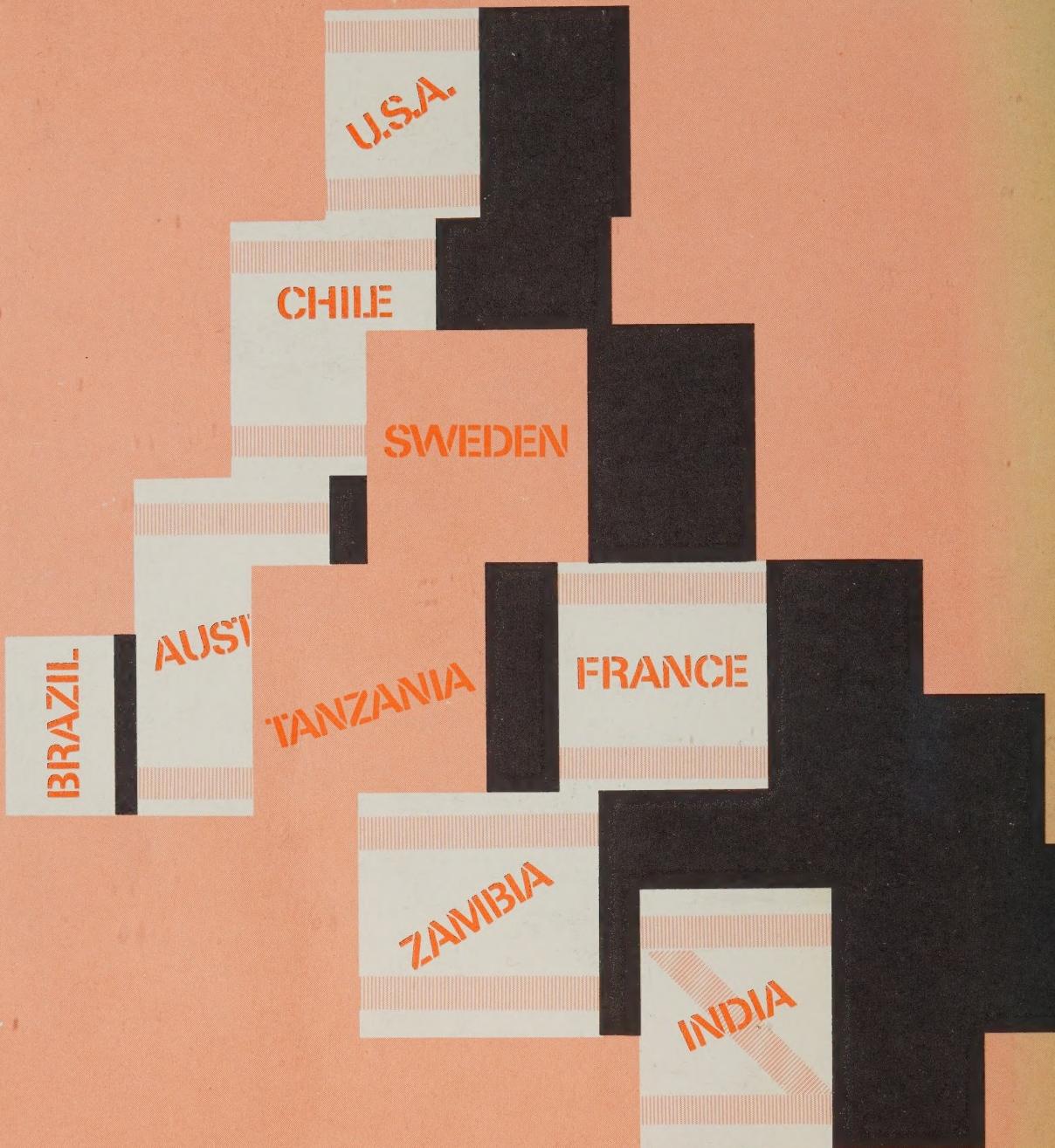
For detailed advice on exporting contact:

Ontario Department of Economics and Development
Trade and Industry Branch, Marketing Section
950 Yonge Street, Toronto 5
Phone 365-5701/Area Code 416
P. A. York, P.Eng., Director
J. J. Graham, Chief of Marketing

Department of Trade and Commerce
P.O. Box 114
Room 921
Toronto-Dominion Centre, Toronto 1
Phone 369-3711/Area Code 416



Busy trade scene on the Windsor side of the Canada-U.S. border



**DEPARTMENT OF ECONOMICS
AND DEVELOPMENT**

Hon. Stanley J. Randall, Minister
Stuart W. Clarkson, Deputy Minister



TRADE AND INDUSTRY BRANCH
950 Yonge St., Toronto 5, Ontario
Tel. 365-4226
Director: Peter A. York, P. Eng.
Chief of Marketing: J. J. Graham